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Nos. DD452 AND DD482

(a) The contractor, subject to the provisions hereinafter set forth, including those contained in the General Provisions, will construct at its plant at Kearny, New Jersey (hereinafter called "the plant"), two destroyers, Nos. DD-452 and DD-482 each of about two thousand (2,100) tons standard displacement (hereinafter called "the vessel"). The vessels shall be constructed in all respects, both hull and machinery, including the installation of outfit, and of other articles to be furnished by the Department, in accordance with the mutually agreeable approved plans and specifications, including changes thereto, which shall be authorized as hereinafter provided. The aforesaid General Provisions shall be deemed and taken as forming a part of this contract and shall have the same force and effect as if the same were incorporated herein. As the plans are being prepared and modified in conformity with which the vessels shall be constructed have not been completed, it is understood and agreed that the plans and specifications referred to in this contract or in the drawings and specifications which accompany this contract, it is intended to refer to the plans and specifications which are now being prepared and modified.

Contractor shall submit, within five (5) months from the date of receipt of the plans and specifications, to the Department a schedule setting forth each of the items specified in the following paragraph, and the dates on which the items are required, in order that the contractor may complete the vessel/structure within the period (respective periods) specified in Article 8 hereof.

referred to in the preceding paragraph shall be:
 Materials to be furnished by the Department:

armor;

loadings consisting of ship's main propulsion shafting, stern posts, and posts;

Propulsion turbines:

.....propulsion reduction gears;

Additional facilities to be acquired in accordance with the separate con-
ferred to in Article 2 hereof; and

Other materials as may be added from time to time by order of the Secretary Navy if in his discretion the difficulty of procurement of such other materials warrants their addition to this list.

or shall file with the Department within thirty (30) days after the termination of each calendar quarter a report with respect to delays occurring during such calendar quarter in sufficient detail to permit the Department to take appropriate action to eliminate or reduce such delays.

el/vessels shall after completion be delivered at New York Navy Yard to
in command of that naval station: *Provided, however,* That if the place
re spare parts shall be changed to a destination other than the above-
on, such change will be treated as a change under this contract as pro-
hereof.

Additional facilities required by the contractor for the performance of the contract shall be acquired in accordance with the terms of a separate contract, NOD-9, 1940.

"B" tracings and blueprints of all working and finished plans, and copies of material schedules, and material orders for DD452 and DD482 necessary for construction and completion of the vessel/vessels shall be provided in accordance with General Provisions. The contractor shall, in strict accordance with the contract terms and specifications, produce, or modify and adapt such working plans to the plant of the contractor, and shall check and modify the finished plans showing such plans and booklets into agreement with the work actually performed on the vessel/vessels.

Secretary of the Navy, at any time and without notice to the sureties, may modify or amend this contract, including the General Provisions, the plans, and/or the specifications, within the general scope thereof. No changes shall be made in the contract, exclusive of the plans and specifications, except on the written order of the Secretary of the Navy.

Changes.

Secretary of the Navy, and no changes shall be made in the plans or specifications unless approved in writing by the Secretary of the Navy or by the Chief of the Bureau of Ships as his duly authorized representative; but nothing provided in this article or Article 5 shall excuse the contractor from proceeding with the work under this contract.

ART. 5. No charge for extra work or material will be allowed unless ordered in writing by the Secretary of the Navy or by the Chief of the Bureau of Ships as his duly authorized representative, except as otherwise herein provided.

Determination of
cost of changes.

ART. 6. (a) The increased or decreased estimated cost and change in weight owing to duly authorized changes and/or extras may be determined either:

- (1) by mutual agreement, or
- (2) by a board of naval officers appointed by the Secretary of the Navy. A record of all increases and/or decreases in the estimated cost of performance and change in weight resulting from changes, determined as provided herein, will be kept by the Department.

The parties hereto shall be bound by the determination of said board or a majority thereof as to the amount of increase or reduction in the compensation to be allowed the contractor on account of matters determined by the board as above provided.

The contractor, in the meanwhile, shall proceed with the work in accordance with the plans and specifications as thus modified.

No request for adjustment under this article with respect to a change or extra under Article 4 shall be submitted to the Board or considered by the Secretary of the Navy unless the contractor shall, within thirty (30) days after receipt of the order for such change or extra, notify the Secretary of the Navy in writing of the estimated extent of any delay, and the estimated amount of cost involved. The Secretary of the Navy, however, in his discretion, may extend such time of submitting requests.

Insurance

ART. 7. Insurance shall be furnished in accordance with the requirements of Article 7 of the General Provisions. Unless authorized in writing by the Secretary of the Navy to furnish a lesser amount, the contractor shall furnish insurance, with respect to each vessel, in an amount which shall not be less than (but need not exceed) the sum of one million dollars (\$1,000,000); *Provided*, That the amount of insurance required with respect to a vessel need not at any time prior to the laying of the keel exceed the aggregate amount of all applications for payments theretofore made by the contractor with respect to such vessel.

Time of
completion.

ART. 8. The vessel/vessels covered by this contract shall be complete in accordance with the plans and specifications, and duly authorized changes therein, and shall be delivered in accordance with Article 1 hereof on or before the completion date specified below with respect to each vessel:

Vessels

Completion Dates

DD152... within 39 months from the date of receipt of the contract plans and specifications.

DD182... within 40 months from the date of receipt of the contract plans and specifications.

Provided, That in the event of an actual delay in the construction of the vessel/vessels resulting from any cause beyond the control and without the fault or negligence of the contractor the Secretary of the Navy shall extend the above-specified time for completion.

Tests

ART. 9. When each vessel is substantially complete, as required by this contract, except for minor items of work, and may, in the discretion of the Chief of the Bureau of Ships, be it withheld until after the trials, and when the contractor shall have made sufficient trials at dock and in free port to be reasonably sure of satisfactory performance, the vessel shall be subjected to trials and to the supervision of a trial board designated by the Secretary of the Navy to test her and to record the results. Such trials shall be as provided in the Detail Specifications and the General Specifications for propulsion machinery applicable to the vessel.

One vessel to be built under this contract shall be designated by the Department as a standard hull type, to trial as set forth in the appended Detail and General Specifications. Such trials shall be conducted as set forth in the appended Detail and General Specifications for propulsion machinery applicable to the vessel.

The Trial Board will make a report to the Secretary of the Navy, and the results of the trials shall be a condition precedent to the acceptance of the vessel. The Trial Board will also make a report to the Secretary of the Navy, and the results of the trials shall be a condition precedent to the acceptance of the vessel. The Trial Board will also make a report to the Secretary of the Navy, and the results of the trials shall be a condition precedent to the acceptance of the vessel.

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work of the contractor...
estimated...
may be determined...

...by the Secretary...
...the Department...
...shall be bound by the determination...

...of increase or reduction in the...
...of matters determined by the Board...
...the mean while, shall proceed with the...

...as thus modified...
...instrument under this article with respect to...
...to the Board or considered by the Board...

...within thirty (30) days after receipt of the...
...of the Navy in writing of the Secretary of the Navy...
...of cost involved. The Secretary shall...

...such time of submitting requests...
...shall be furnished in accordance with the...
...the contractor shall furnish...
...not be less than (but need not exceed)...

...That the amount of insurance...
...prior to the laying of the keel...
...thereof made by the contractor...

...vessels covered by this contract shall...
...ifications, and duly authorized...
...Article 1 hereof on or before the...

...within 30 days...
...the contract...
...within 40 days...
...the contract...

...event of an actual delay in the...
...beyond the control and without fault...
...the Navy shall extend the above...

8 of the Navy Department Contracts Nod-1122 and Article 9 of Contracts Nod-1376, Nod-1377, Nod-1430, Nod-1432, Nod-1433, Nod-1497, Nod-1500, Nod-1503, Nod-1642 and Nod-1732 require that when a vessel is substantially complete, except for minor items of work which may, in the opinion of the Secretary of the Navy, be left unfinished after the trials and when the Contractor shall conduct efficient trials at dock and in free route (the "Builder's Trials") to be reasonably sure of satisfactory performance. Unless authorized in writing by the Secretary of the Navy, the contractor shall furnish insurance for the vessel and the detail and special specifications of a Trial Board. The details of these trials are to be in accordance with the contracts and the detail and special specifications of the Builder's Trials, operation of the vessel is carried on in practically the same manner that is required to operate during the preliminary trials in accordance with the specification requirements for part or all of the preliminary trials may be satisfactorily demonstrated.

interest of expediting completion and delivery of vessels under Contracts Nod-1122, Nod-1123, Nod-1376, Nod-1430, Nod-1432, Nod-1433, Nod-1497, Nod-1500, Nod-1642 and Nod-1732, the Secretary of the Navy authorizes the following change in the provisions of the contracts:

Article 8 - Contracts Nod-1122 and Nod-1123:

Article 9 - Contracts Nod-1376, Nod-1377, Nod-1430, Nod-1432, Nod-1433, Nod-1497, Nod-1500, Nod-1503, Nod-1642 and Nod-1732:

...under this contract, to be subjected to...
...trials as set forth in the aforesaid...
...shall be subjected to such abridged trials...

...arrange the required trials so as to...
...whether the requirements of this contract...
...able, any other useful data...
...satisfactorily any of the trials to which...

...vessel or on any of the other vessels...
...If, however, any of the runs specified...
...of the trials, such runs may be conducted...

...and trials there shall be observed and...
...as may be considered by the Board...
...ured by the governing specification...
...equipment, auxiliary machinery in...
...determining shaft horsepower, speed, fuel...
...the aforesaid specifications. The runs...
...approximately the same mean draft...

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Before the paragraph with the marginal caption, "Additional trials", insert the following paragraph:

" Such of the preliminary trial requirements as may be performed on the builder's trials to the satisfaction of the Trial Board may be accepted by the Trial Board as fulfilling such requirements. Any tests which have been omitted from the preliminary trials as a result of this provision will be submitted to the Board on Changes for determination of the decrease in cost, if any, resulting from such curtailment of the preliminary trials."

requested that receipt of this letter be
ed.

Respectfully,

Ralph A. Bard

Acting Secretary of the Navy

Shipbuilding and Dry Dock Company
New Jersey

(3)

ap, Kearny, N. J.

LA-1001
DBF:

Acknowledgment of receipt of this letter
is requested.

By Direction of the Secretary of the Navy.

Respectfully,

W. B. WOODSON
Judge Advocate General of the Navy

Federal Shipbuilding
and Dry Dock Company,
Hearny, New Jersey

CC: BuShips
BuS&A
CompBd
SupShip
GAO (Audit Division)